

## REPORT FOR THE QUARTER ENDED 30 June 2022 (Q2)

*PYC is pioneering a new class of precision medicine for the treatment of unmet patient needs in genetic diseases*

*The first asset to utilise PYC's proprietary drug delivery technology is designed to treat a blinding eye disease called Retinitis Pigmentosa type 11 (RP11)*

*PYC expects to progress this asset into human testing early next year*

*An Investigational New Drug (IND) application to facilitate this objective is anticipated in the current half*

*Beyond RP11, PYC's objective of progressing multiple assets into human trials has been strengthened with:*

- *Continued progress towards lead selection in the Company's second program for the treatment of Autosomal Dominant Optic Atrophy; and*
- *Earlier-stage assets generating encouraging initial data*

*PYC is well advanced on its journey to become a multi-asset, clinical-stage drug development company*

**PERTH, Australia and SAN DIEGO, California – 27 July 2022** – PYC Therapeutics (ASX:PYC) is a biotechnology company combining two complementary platform technologies:

- RNA based drug design; and
- a proprietary drug delivery technology.

Together they are being developed to create a new generation of RNA therapeutics to change the lives of patients with genetic diseases.

PYC's pipeline of precision medicines includes:

1. An investigational drug candidate known as VP-001<sup>1</sup> for the treatment of a rare blinding eye disease called Retinitis Pigmentosa type 11 (RP11). VP-001 is expected to be the first disease-modifying therapy for RP11 to enter clinical trials;
2. A second drug development program for another rare blinding eye disease with no existing treatment options called Autosomal Dominant Optic Atrophy; and

<sup>1</sup> VP-001 is owned by Vision Pharma in which PYC is a 93.5% shareholder and Lions Eye Institute owns 6.5%

3. Multiple earlier stage activities in the eye, central nervous system and kidney. These activities are directed towards the creation of disease-modifying therapies in areas of unmet or underserved patient need.

The unifying feature of PYC's drug discovery and development pipeline is that each program targets a monogenic disease. Monogenic drug programs have a 5x higher propensity for success in human trials<sup>2</sup>.

### **1. VP-001 for the treatment of Retinitis Pigmentosa type 11**

#### ***Lead program on track to enter human trials***

The first investigational drug candidate to be produced using the Company's combined platform technologies is scheduled to enter a combined phase 1/2 clinical study early next year. As PYC finalises the process of taking its first investigational drug candidate into clinical development, the Company's focus is turning towards the sequential clinical validation of multiple pipeline assets.

#### ***Natural History studies commenced in RP11***

PYC has initiated a natural history study to document the characteristics, progression and relevant indicators of the decline of visual function and functional vision in patients with Retinitis Pigmentosa type 11 (RP11). This information will be used to better understand how these characteristics and indicators change in the context of treatment with VP-001. The first patient in this natural history study has now completed all of their screening assessments.

#### ***PK studies completed***

PYC has completed pharmacokinetic (PK) studies in Non-Human Primates in support of VP-001 (See ASX announcement of 10 May 2022). The results of these studies demonstrated that PYC's precision medicine modality has a deep tissue penetration within the retina and a durable presence in this target tissue following intravitreal injection - making it an ideal technology for the treatment of blinding eye diseases affecting the retina.

#### ***GLP toxicology studies in progress***

The Company has also initiated the Good Laboratory Practice (GLP) toxicology studies in the RP11 program required to support the Investigational New Drug (IND) filing with the US Food and Drug Administration. The initial results of these studies are anticipated to be available to support the IND filing in Q4 2022.

### **2. Second program in ADOA progressing towards lead selection**

The Company's second program for the treatment of autosomal dominant optic atrophy is progressing well and PYC expects to provide an update on this program with supporting biodistribution data from studies conducted in rabbits along with additional efficacy data prior to the end of 2022. This program is anticipated to be the second asset advanced into clinical development by PYC.

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<sup>2</sup> Advancing Human Genetics Research and Drug Discovery through Exome Sequencing of the UK Biobank. doi: <https://doi.org/10.1101/2020.11.02.20222232>

### ***3. Pipeline expansion continuing at pace***

In addition to the progress described above, PYC has filed for intellectual property protection of multiple other pipeline assets following favourable initial data read-outs. The Company anticipates formal expansion of the pipeline to include additional assets before the end of the year. These assets will continue the Company's focus on monogenic diseases in keeping with the Company's strategy of focusing on the highest propensity domain of drug development with the most rapid path to patients.

#### ***Further development of PYC's proprietary drug delivery technology***

The ability to design and validate new drugs for the correction of genetic diseases is one part of PYC's technology. The other major part is its proprietary drug delivery technology. This enables drugs to be delivered efficiently and effectively to target cells.

Work continues on further developing PYC's underlying platform technologies which will be used for the discovery of the Company's in-house drugs and potentially also by external companies seeking to overcome the major challenge of drug delivery in their own precision medicine programs.

#### ***Near-term outlook***

The Company is making material progress and is now demonstrating the capability to take the drug candidates designed using its underlying platform technologies into clinical development. PYC anticipates further progress updates across all areas of activity described above throughout H2 2022 as the company becomes a clinical-stage, multi-asset enterprise.

Payments in the June quarter to related parties of \$131,000 included in item 6 in the attached Appendix 4C comprised remuneration paid to Directors.

#### **About PYC Therapeutics**

PYC Therapeutics (ASX: PYC) is a pre-clinical stage biotechnology company pioneering a new generation of RNA therapeutics that utilise the Company's proprietary library of naturally derived cell penetrating peptides to overcome the major challenges of current genetic medicines. PYC believes its PPMO (Peptide conjugated Phosphorodiamidate Morpholino Oligomer) technology enables a safer and more effective RNA therapeutic to address the underlying drivers of a range of genetic diseases for which no treatment solutions exist today.

The Company is leveraging its leading-edge science to develop a pipeline of novel therapies including two programs focused on inherited eye diseases and pre-clinical discovery programs focused on neurodegenerative and kidney diseases. PYC's discovery, pre-clinical and laboratory operations are located in Australia and its translational, clinical, regulatory and business development operations are located in the United States. For more information, visit [pyctx.com](http://pyctx.com), or follow us on [LinkedIn](#) and [Twitter](#).

## Forward looking statements

*Any forward-looking statements in this ASX announcement have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside the Company's control. Important factors that could cause actual results to differ materially from assumptions or expectations expressed or implied in this ASX announcement include known and unknown risks. Because actual results could differ materially to assumptions made and the Company's current intentions, plans, expectations and beliefs about the future, you are urged to view all forward-looking statements contained in this ASX announcement with caution. The Company undertakes no obligation to publicly update any forward-looking statement whether as a result of new information, future events or otherwise.*

*This ASX announcement should not be relied on as a recommendation or forecast by the Company. Nothing in this ASX announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.*

*This ASX announcement was approved and authorised for release by the Board of PYC Therapeutics Limited*

### CONTACTS:

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

#### Name of entity

PYC THERAPEUTICS LIMITED

#### ABN

48 098 391 961

#### Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(7,369)	(23,450)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(124)	(354)
(e) staff costs	(631)	(2,297)
(f) administration and corporate costs	(436)	(1,960)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4	6,068
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(8,551)</b>	<b>(21,964)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(16)	(387)
(j) investments	-	-
(k) intellectual property	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 12 months) \$A'000</b>
	(l) other non-current assets	(7)	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(23)</b>	<b>(387)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 12 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	37,717	51,502
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,551)	(21,964)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(387)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(34)	(41)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>29,110</b>	<b>29,110</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	29,110	37,717
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>29,110</b>	<b>37,717</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1	(131)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

During the quarter \$131k directors remuneration was paid, which was included in item 1.2.

## 7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

## 7.5 Unused financing facilities available at quarter end

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(8,551)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	29,110
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	29,110
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>3.40</b>

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

- 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

- 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

27 July 2022

Date: .....

The Board of PYC Therapeutics Limited

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.